

## S.F. No. 3072 – Salvage and Prior Salvage Vehicle Title Modifications (As amended by the A-4 amendment)

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**S.F. 3072** amends laws relating to vehicle titles with “salvage” brands and creates a new “prior salvage” title brand. Vehicle disclosure requirements are modified and consolidated. Changes are made throughout the bill to use terms consistently and to make technical corrections.

**Section 1 [§168A.01; Recovered intact vehicle]** defines “recovered intact vehicle” as a vehicle that was stolen, declared a total loss, and later recovered with damage not in excess of 80% of its value.

**Section 2 [§168A.01; Salvage vehicle]** defines “salvage vehicle” as a vehicle that was declared by an insurance company to be a total loss or a vehicle that has been in an accident and the cost of repairs exceeds 80% of the value of the vehicle. A salvage vehicle does not include a recovered intact vehicle.

**Sections 3 and 4 [§168A.04; Contents; vehicle last registered out of state]** eliminates an inconsistency in statute. Current law references vehicles that have sustained damage which exceeds 70% of the value of the vehicle. This is inconsistent with other percentages elsewhere in statute. The bill strikes the percentage and replaces it with a cross-reference to **section 10** to be consistent across statutes.

**Section 5 [§168A.05; Content of certificate]** makes clear that a title may bear more than one brand. The “rebuilt” brand is eliminated because it is not used.

**Section 6 [§168A.151; Salvage and prior salvage brands]** amends the law on titles with “salvage” brands and establishes the new “prior salvage” brand. There are various scenarios addressed by this section:

- When an insurer acquires ownership of a late-model or high-value vehicle through payment of damages, the insurer must immediately apply for a title that bears a “salvage” brand.

- When an insurer acquires ownership of a vehicle that is not late-model or high-value through payment of damages, the insurer must immediately apply for a title that bears a “prior salvage” brand.
- A person must immediately apply for a title that bears a “salvage” brand if: the person acquires a damaged late-model or high-value vehicle that was acquired by an insurer by payment of damages; will incur a cost of repairs that exceeds the value of the damaged vehicle; has an out-of-state salvage certificate of title; or has certain brands on the title.
- A person must immediately apply for a title that bears a “prior salvage” brand if the person acquires a damaged vehicle and a salvage brand is not required and the vehicle bears certain brands or has a previously had a salvage title or brand issued.
- A self-insured owner of a late-model or high-value vehicle that sustains damage which exceeds 80% of its value must apply for a title that bears a “salvage” brand.
- A self-insured owner of a vehicle that is not late-model or high-value and sustains damage which exceeds 80% of its value must apply for a title that bears a “prior salvage” brand.

**Section 7 [§168A.152; Certificate of inspection]** specifies that the commissioner must not issue a title with a “prior salvage” brand for a late-model or high-value vehicle unless the application for the title is accompanied by a certificate of inspection for the vehicle.

**Section 8 [§168A.152; Duties of salvage vehicle purchaser]** makes technical changes and adds a reference to “prior salvage” brands.

**Section 9 [§325F.662; Exclusions]** makes a technical change.

**Section 10 [§325F.6641; Discloser of vehicle damage]** amends the law relating to vehicle disclosures. Requires disclosure of prior damage for all vehicles if the damage exceeds 80% of the value of the vehicle. Strikes a reference to “rebuilt” brands because the brand isn’t used. This section also centralizes and amends vehicle dealer disclosure provisions.

**Section 11 [§325F.6642; Title branding]** specifies when the following title brands must be placed on vehicle’s title: “flood damaged,” “salvage,” “prior salvage,” and “reconstructed.” Replaces the requirement that brands be in a different color with a requirement that the brand be in a different format than all other writing on the title. Repeals provisions that are unnecessary because of other changes in the bill or were moved to different sections of statute.

**Section 12 [325F.665; Title branding]** eliminates a reference to the “lemon law vehicle” brand because is moved to elsewhere in the bill.

**Section 13 [Appropriation; Motor vehicle title administration]** makes a blank appropriation from the vehicle services operating account to the commissioner of public safety to implement the bill. This section is effective the day following final enactment.

**Section 14 [Repealer]** repeals a definition that is made obsolete by other changes in the bill. The bill also repeals an exemption from title branding and disclosure which has the effect of making title branding requirements apply to commercial vehicles, restored pioneer vehicles, and motorcycles.

Background. A late-model vehicle is a vehicle that is 5 model years old or newer. A high-value vehicle is a vehicle with a value in excess of \$9,000 before being damaged or a vehicle with a manufacturer’s rating of over 26,000 pounds gross vehicle weight that is not a late-model vehicle.